

6 June 2019

The Director
IPART NSW

Dear Sir / Madam

Comments on Review of interment cost and pricing

Thank you for the opportunity to comment on the Review of interment cost and pricing.

A review of the *Discussion Paper* has been carried out and Council's feedback is submitted through this letter.

It is noted that the IPART NSW has developed the Review of Interment cost and pricing paper as a result of the changed legislation (particularly the introduction of renewable interment rights) and the approaching exhaustion of burial space in Sydney. It is recognised that the objective of the review is to provide guidance to NSW cemeteries about pricing of interment services.

By way of background, Hornsby Shire Council operates two cemeteries and manages two small historic closed cemeteries. Both open cemeteries are at or near capacity with less than 10 burials in the last 8 years. Therefore we have very little information to form an opinion with respect to the questions provided.

Of greatest concern to us is the cost of maintaining the cemeteries without an ongoing income stream to offset the cost.

In response to your questions the following information is provided: -

- **Do you agree with our proposed pricing principles? Are there additional principles we should consider?**

We agree in principal with the proposed pricing principles.

- **Are any principles more important than others? How can we manage trade-offs between conflicting principles?**

We considers the: "Interment prices should allow for the financially sustainable operation of cemeteries into the future" principle to be the most important principle in order to maintain and provide suitable services to customers.

- **What type of land is the most likely source of increased cemetery capacity in Sydney? The Hunter/Central Coast/Illawarra region? Other regional areas?**

In the Hornsby Shire the land most likely to be obtained for a cemetery would come from our rural zones.

- **Are there other costs involved in developing land for use as a cemetery?**

Obviously, identifying the right property to develop is crucial. However, additional development costs may occur from bushfire mitigation and replacing tree loss.

- **Who should be responsible for developing new cemeteries?**

The NSW government should be responsible for cemeteries as they would have a greater insight into what the needs are across the State.

- **Who should have responsibility for maintaining closed cemeteries in perpetuity?**

We are of the opinion that the responsibility for maintaining closed cemeteries in perpetuity should rest with the NSW government.

- **Should there be a legal obligation on all cemetery operators to make financial provision for the perpetual maintenance of their cemeteries? What form should this financial provision take?**

We are of the opinion that cemeteries should be the responsibility of the NSW government and as a consequence, the maintenance of the cemetery would be shared across the wider community.

- **Should more guidance or oversight be given to cemetery operators regarding investing and managing funds for perpetual maintenance? If so, by whom?**

Yes, and this guidance should be provided by the NSW government rather than an industry body.

- **After considering factors outside of the control of a cemetery, are some cemetery operators more efficient than others? If so, what are the main factors behind these greater efficiencies?**

We have no private operators within the Hornsby Shire

- **Is competition between cemeteries likely to lower costs? If so, are there ways to address barriers to the ability of cemetery operators to compete with one another?**

We have no private operators within the Hornsby Shire

- **Does the tax treatment of private operators increase their operational costs relative to crown trusts and not-for-profit operators?**

No Comment

- **Should private and local government cemetery operators also pay the Crown Cemetery Levy to fund the operations of CCNSW?**

Local government cemetery operators should not pay the Crown Cemetery Levy.

- **What form should the recommendations from this review take? How prescriptive should they be?**

Hornsby Council operates two cemeteries, which are at full capacity and we have less than 1 burial a year. Also, Council has no plans to develop land for a new cemetery. Accordingly, it is unlikely that the recommendations would impact on this council.

- **Should the forms of recommendation from this review vary depending on the ownership/management of the cemetery to which they apply? If so, how?**

Hornsby Council operates two cemeteries, which are at full capacity and we have less than 1 burial a year. Further, we have no plans to develop land for a new cemetery. Accordingly, it is unlikely that the recommendations would impact on this council.

- **To which services and product offerings should the recommendations from this review apply?**

The recommendations from this review should only apply to Perpetual and renewable rights to interment in Lawn graves, Monumental graves and Mausoleums.

We agree that cremations, memorialisation, chapel services and hospitality services are provided by reasonably competitive markets and are outside the scope of this review.

- **What should the form of recommendations of this review be with respect to perpetual maintenance reserves?**

Hornsby Council operates two cemeteries, which are at full capacity and we have less than 1 burial a year. As a result, we have no opinion on the best approach.

- **Are there cross-subsidies or inefficiencies in pricing for interment services?**

Hornsby Council operates two cemeteries, which are at full capacity and we have less than 1 burial a year. As a result, we are not in a position to comment on this question.

- **If there are cross-subsidies, are there compelling reasons why they should continue?**

Hornsby Council operates two cemeteries, which are at full capacity and we have less than 1 burial a year. As a result, we are not in a position to comment on this question.

- **To what extent does the range of prices for interment rights within and between cemeteries reflect different efficient costs, product differentiation, or price discrimination?**

Hornsby Council operates two cemeteries, which are at full capacity and we have less than 1 burial a year. As a result, we are not in a position to comment on this question.

- **Are there other areas of concern in current cemetery interment pricing approaches?**

Hornsby Council operates two cemeteries, which are at full capacity and we have less than 1 burial a year. As a result, we are not in a position to comment on this question.

- **Should fees for interment rights vary with available cemetery capacity?**

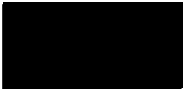
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- **Which community impacts should we consider as part of this review?**

We consider that impact on specific community groups and affordability of interment fees should be considered in the review.

Should you require further information or clarification on any matters in this submission, please contact Simon Evans, Manager Compliance & Regulatory Services via email sevans@hornsby.nsw.gov.au or on

Yours faithfully


Simon Evans
Manager, Regulatory Services
Planning and Compliance Division

TRIM Reference: